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March 07, 2023

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZE THE ACQUISITION OF AN ENDOSCOPIC ULTRASOUND
PROCESSOR FOR LAC+USC MEDICAL CENTER
(SUPERVISORIAL DISTRICT 1)
(3 VOTES)**

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www.dhs.lacounty.gov

SUBJECT

Authorize the Director of the Internal Services Department, as the County Purchasing Agent, to proceed with the sole source acquisition of an Endoscopic Ultrasound Processor from Olympus America Inc. for LAC+USC Medical Center.

IT IS RECOMMENDED THAT THE BOARD:

Authorize the Director of the Internal Services Department (ISD), as the County's Purchasing Agent, to proceed with the sole source acquisition of an Endoscopic Ultrasound (EUS) Processor from Olympus America Inc. for Department of Health Services' (DHS) LAC+USC Medical Center (LAC+USC MC), with an estimated cost of approximately \$284,000.

*"To advance the health of our
patients and our communities by
providing extraordinary care"*



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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended action will authorize ISD, as the County's Purchasing Agent, to proceed with the sole source acquisition of an EUS Processor from Olympus America Inc. for LAC+USC MC to replace a 14-year-old system that was purchased when the new LAC+USC MC first opened. The existing system is considered end-of-service-life and no longer guaranteed by the manufacturer for parts and service.

The Gastroenterology department at LAC+USC MC specializes in the diagnosis, treatment and management of disorders of that effect the gastrointestinal tract and related organs such as the esophagus, stomach, small intestine, colon and rectum, pancreas, gallbladder, liver and others. Physician specialists use EUS processors in minimally invasive procedures to create detailed images of these organs via high-frequency sound waves to, among other uses, assess damage of internal tissue; determine whether cancer is present, its severity or whether it has spread; aide in the measurement of cysts and tumors; aide in the extraction of fluid or tissue for biopsy; and, deliver medications/treatments to a diseased site/tumor.

LAC+USC MC is requesting that the EUS Processor be acquired from a sole source vendor, Olympus America Inc., because it is compatible with the existing echoendoscopes.

The EUS processor is vital to the ability of the LAC+USC MC to provide comprehensive inpatient and outpatient care including the management of trauma patients.

Implementation of Strategic Plan Goals

This recommendation support III.3, "Pursue Operational Effectiveness, Fiscal Responsibility and Accountability" of the County Strategic Plan.

FISCAL IMPACT/FINANCING

The total estimated cost of the EUS Processor is approximately \$284,000. The estimated acquisition cost includes the equipment, warranty, freight, and tax. Funding is included in the DHS Fiscal Year 2022-23 Final Budget and there is no impact to net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On October 16, 2001, the Board approved the classification categories for fixed assets and new requirements for major fixed asset (now referred to as capital asset) acquisitions requiring County departments to obtain Board approval to acquire or finance equipment with a unit cost of \$250,000 or greater prior to submitting their requisition to ISD.

CONTRACTING PROCESS

The acquisition of equipment falls under the statutory authority of the County Purchasing Agent and will be accomplished in accordance with the County's purchasing policies and procedures for sole source purchases.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendation will ensure continuity of care for patients with a wide spectrum of gastrointestinal disease. It is the primary method to diagnose pancreatic cancer and precursor lesions and to stage esophageal, gastric, and rectal cancers. It is also routinely used in the drainage of fluid collections in those with severe pancreatitis and following traumas. Given the current system is far beyond its recommended period of use, the replacement of the system is of great urgency.

Respectfully submitted,



Christina R. Ghaly, M.D.
Director

CRG:jc

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Internal Services Department